

## **Joint NGO letter to EBRD and IFC on misgivings with the public disclosure process of the BTC pipeline project**

August 18, 2003

Executive Directors EBRD

Executive Directors of the International Finance Corporation

Dear Sir/Madam,

We, the undersigned organizations, would like to express our deep disappointment with the Baku-Tbilisi-Ceyhan pipeline Public Disclosure Process, arranged under the EBRD/IFC procedures. We have a number of concerns.

While the 120 day disclosure period started on 12 June, 2003, information regarding the practical activities available for public comment on the BTC project only became available to public on 23 July, 2003

Currently the project documentation is available in a complete form only on the website of the BTC Co. and those of the EBRD and IFC, in head offices of the BTC Co., and in some international organisations, headquarters in capital cities. Public comments should be directed to the BTC Co. offices or should be e-mailed via the EBRD and IFC websites. For affected communities, already deeply sceptical about the prospect of getting answers from BTC Co., these arrangements are not accessible and simply add to their sense of frustration.

Moreover, these arrangements do not relate to assurances given by EBRD and IFC staff that they would arrange a fully independent process of public participation, as used in western European countries, which would enable affected communities and concerned citizens to voice any concerns they might have.

We would draw your attention to a recent information sheet posted on the EBRD website: Ten questions on the BTC pipeline. In response to question 7 - Is this pipeline fair? - the unequivocal EBRD response is: "For it to be fair, the project must reflect political commitment in the host countries and account for interests of all stakeholders through full public consultation."

It continues: "Fairness will be considered in terms of whether ... the project accounts for all positions of stakeholders on the planning of the project."

Up until recently we believed that both the EBRD and IFC would take all necessary measures to ensure public access to the updated information, would receive comments from affected communities, and would actively promote and monitor the debate over sensitive issues related to the oil project. In particular, the public and NGOs hoped that the very involvement of EBRD/IFC would help to facilitate a healthy debate and lead to a helpful distribution of project related information.

However, it is now clear that the process moderator - CDR Associates - received instructions from the EBRD/IFC team to arrange only two multi-stakeholder meetings in each of the pipeline-affected countries. In the best case scenario, these meetings will involve around 1000 people, with by far the biggest share coming from governmental structures and large entities. It is difficult to imagine that the

real problems of ordinary people will receive due attention at these meetings, the only activities planned by the EBRD and IFC to ensure "full public consultation."

The public disclosure process, thus conceived, will proceed in silence, with no one, including the media, raising any "inconvenient" questions. When there are general restrictions on access to information and the consultation process, talk of a participatory approach would be ludicrous if it was not insulting to pipeline affected communities.

Indeed, the steps undertaken are in full violation of the EBRD/World Bank policies and guidelines on EIA consultations. Local residents have the right to be heard by the banks, as well as to know how to report violations of their rights directly to the EBRD and the IFC.

We request that the EBRD/IFC Board of Executive Directors take all necessary steps to:

Implement World Bank and EBRD procedures on public participation;

Actively promote debate over the sensitive issues thrown up by this oil project;

Provide assurances that the pipeline will not affect the rights of local communities to natural resources, water and land;

Ensure full and adequate compensation for damage caused by the project;

Ensure feedback to stakeholders on the results of the public consultation activities, emphasising how their input played a part in the decision-making process.

Only by addressing these issues urgently can the EBRD and the IFC satisfactorily lay claim to having respect for the full diversity of opinions present along the length of the BTC pipeline.

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